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FIRST PACIFIC COMPANY LIMITED

第一太平有限公司

(Incorporated with limited liability under the laws of Bermuda)

Website: <http://www.firstpacific.com>

(Stock Code: 00142)

ANNOUNCEMENT MADE BY PHILEX MINING CORPORATION IN RELATION TO ITS AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2016

This Announcement is made by First Pacific Company Limited (“First Pacific” or the “Company”) to provide shareholders of First Pacific and the public with the audited consolidated financial results of Philex Mining Corporation (“Philex”), a major operating associate of the Company, for the year ended 31 December 2016.

Summary

On 28 February 2017, the board of directors of Philex approved the release of the audited consolidated financial results for the year ended 31 December 2016. Philex’s audited consolidated financial results have been submitted to the PSE on 28 February 2017, and have also been disclosed as the Company’s Overseas Regulatory Announcement on the websites of HKEX and the Company.

Philex, a major operating associate of First Pacific, is a company incorporated in the Philippines whose shares are listed on the Philippine Stock Exchange, Inc. (“PSE”). First Pacific holds a 31.2% economic interest in Philex (Two Rivers Pacific Holdings Corporation, a Philippine affiliate of First Pacific, holds an additional 15.0% economic interest in Philex). On 28 February 2017, the board of directors of Philex approved the release of the audited consolidated financial results for the year ended 31 December 2016. Philex’s audited consolidated financial results have been submitted to the PSE on 28 February 2017, which have also been disclosed as the Company’s Overseas Regulatory Announcement on the websites of The Stock Exchange of Hong Kong Limited (“HKEX”) and the Company. The audited consolidated financial statements have been prepared in conformity with the Philippine Financial Reporting Standards and are presented in Philippine Peso. Philex’s audited Consolidated Statements of Income for the years ended 31 December 2016 and 2015, as well as the audited Consolidated Statements of Financial Position as at 31 December 2016 and 2015 are provided below:

PHILEX MINING CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME (AUDITED)
FOR THE YEARS ENDED 31 DECEMBER 2016 AND 2015
(Amounts in Peso Thousands, except Earnings Per Share which are in Peso)

	2016	2015
REVENUE		
Gold	6,209,006	5,669,860
Copper	3,976,184	3,449,799
Silver and others	86,475	69,723
	<u>10,271,665</u>	<u>9,189,382</u>
Less smelting charges	893,278	836,597
	<u>9,378,387</u>	<u>8,352,785</u>
COSTS AND EXPENSES		
Production costs (including depletion and depreciation)	6,074,862	6,160,352
General and administrative expenses	373,123	414,255
Excise taxes and royalties	452,415	436,856
	<u>6,900,400</u>	<u>7,011,463</u>
OTHER INCOME (CHARGES)		
Foreign exchange losses – net	(145,213)	(158,697)
Share in net losses of associates	(44,572)	(13,200)
Interest income	2,081	4,085
Gain on disposal of available-for-sale (AFS) financial assets	–	107,088
Others – net	(14,439)	5,642
	<u>(202,143)</u>	<u>(55,082)</u>
INCOME BEFORE PROVISIONS FOR IMPAIRMENT LOSSES	<u>2,275,844</u>	<u>1,286,240</u>
PROVISIONS FOR IMPAIRMENT LOSSES – NET	<u>(2,504,850)</u>	<u>–</u>
INCOME (LOSS) BEFORE INCOME TAX	<u>(229,006)</u>	<u>1,286,240</u>
PROVISION FOR INCOME TAX		
Current	586,483	245,550
Deferred	110,742	121,030
	<u>697,225</u>	<u>366,580</u>
	<u>(926,231)</u>	<u>919,660</u>
INCOME (LOSS) ON DECONSOLIDATED SUBSIDIARY GROUP, NET OF TAX		
Loss from deconsolidated subsidiary group	(29,102)	(144,025)
Gain from loss of control over a subsidiary group	2,522,704	–
	<u>2,493,602</u>	<u>(144,025)</u>
NET INCOME	<u>1,567,371</u>	<u>775,635</u>
Net Income (Loss) Attributable to:		
Equity holders of the Parent Company	1,589,045	896,181
Non-controlling interests	(21,674)	(120,546)
	<u>1,567,371</u>	<u>775,635</u>
Core Net Income	<u>1,657,404</u>	<u>905,242</u>
Basic Earnings Per Share	<u>0.322</u>	<u>0.181</u>
Diluted Earnings Per Share	<u>0.322</u>	<u>0.181</u>

PHILEX MINING CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (AUDITED)
(Amounts in Peso Thousands, except Par Value Per Share which is in Peso)

	31 December 2016	31 December 2015
ASSETS		
Current Assets		
Cash and cash equivalents	457,937	1,008,686
Accounts receivable	486,497	897,479
Inventories	2,318,850	1,886,544
Advances to a related party	2,193,829	–
Other current assets	1,437,752	1,478,748
Total Current Assets	6,894,865	5,271,457
Noncurrent Assets		
Property, plant and equipment	6,735,578	6,828,052
Deferred exploration costs and other noncurrent assets	23,158,325	29,153,010
AFS financial assets	104,615	106,687
Investment in associates	1,455,876	659,408
Pension asset – net	312,570	263,867
Goodwill	–	1,238,583
Deferred income tax assets – net	–	5,992
Total Noncurrent Assets	31,766,964	38,255,599
TOTAL ASSETS	38,661,829	43,527,056
LIABILITIES AND EQUITY		
Current Liabilities		
Loans payable	3,082,640	3,317,730
Accounts payable and accrued liabilities	1,832,661	1,904,488
Income tax payable	164,265	13,014
Dividends payable	498,129	479,652
Total Current Liabilities	5,577,695	5,714,884
Noncurrent Liabilities		
Deferred income tax liabilities – net	2,957,896	3,939,160
Loans and bonds payable	6,592,854	6,259,063
Provision for losses and mine rehabilitation costs	134,124	330,047
Total Noncurrent Liabilities	9,684,874	10,528,270
Total Liabilities	15,262,569	16,243,154
Equity Attributable to Equity Holders of the Parent Company		
Capital Stock – Peso 1 par value	4,940,399	4,940,399
Additional paid-in capital	1,143,981	1,142,722
Retained earnings		
Unappropriated	4,442,436	5,496,271
Appropriated	10,000,000	10,000,000
Net unrealized loss on AFS financial assets	(3,094)	(1,022)
Equity conversion option	1,225,518	1,225,518
Cumulative translation adjustments	–	124,334
Net revaluation surplus	1,572,385	1,611,397
Effect of transactions with non-controlling interests	77,892	23,164
	23,399,517	24,562,783
Non-controlling interests	(257)	2,721,119
Total Equity	23,399,260	27,283,902
TOTAL LIABILITIES & EQUITY	38,661,829	43,527,056

GENERAL

Shareholders should note that the above audited consolidated financial results pertain only to Philex and not to First Pacific itself.

The above information only refers to certain sections of Philex's disclosure and shareholders should refer to Philex's original filing submitted to the PSE (<http://www.pse.com.ph>), as well as disclosed as the Company's Overseas Regulatory Announcement on the websites of the HKEX and the Company on 28 February 2017.

By Order of the Board
First Pacific Company Limited
Manuel V. Pangilinan
Managing Director and CEO

Hong Kong, 28 February 2017

As at the date of this announcement, the Board comprises the following Directors:

Executive Directors:

Manuel V. Pangilinan, *Managing Director and CEO*

Edward A. Tortorici

Robert C. Nicholson

Non-executive Directors:

Anthoni Salim, *Chairman*

Benny S. Santoso

Tedy Djuhar

Ambassador Albert F. del Rosario

Independent Non-executive Directors:

Prof. Edward K.Y. Chen, *GBS, CBE, JP*

Margaret Leung Ko May Yee, *SBS, JP*

Philip Fan Yan Hok

Madeleine Lee Suh Shin